

Message Text

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ACTION ACDA-10

INFO OCT-01 AF-08 EUR-12 EA-07 NEA-10 ISO-00 CIAE-00

INR-07 IO-13 L-03 NSAE-00 NSC-05 EB-07 NRC-05 OES-06

FEAE-00 DODE-00 ERDA-05 SS-15 PRS-01 PA-01 /116 W

----- 115556

R 210820Z SEP 76

FM AMEMBASSY NIAMEY

TO SECSTATE WASHDC 4849

INFO AMEMBASSY ABIDJAN

AMEMBASSY BONN

AMEMBASSY LIBREVILLE

AMEMBASSY LONDON

AMEMBASSY MADRID

AMEMBASSY NDJAMENA

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY TEHRAN

AMEMBASSY TOKYO

C O N F I D E N T I A L NIAMEY 4226

E.O. 11652: GDS

TAGS: EALR,ENRG, NG

SUBJECT:URANIUM ROAD PROTOCOL SIGNED

REF: NIAMEY 3695

1. MOST FOREIGN COMPANIES IN NIGER URANIUM
SIGNED PROTOCOL ON \$64 MILLION TAHOUA-ARLIT ROUTE
SEPTEMBER 14-15. THE TAHOUA- LIT ROUTE, POPULARLY
BILLED AS THE "URANIUM ROAD", OR "YELLOW CAKE ROAD"
BY ITS DETRACTORS, IS NIGER'S FIRST MAJOR VENTURE
TT LINKINSIVATE INVESTMENT AND INFRASTRUCTURE
PROJECTS.

2. AGREEMENT WHICH HAS EMERGED ESTABLISHES
ADMINISTRATIVE AND FINANCIAL BODIES AS PROPOSED
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AT URANIUM CONFERENCE LAST MAY, I.E., (1) CONCESSIONARY

COMPANY UNDER ADMINISTRATION OF GON MINISTRY OF PUBLIC WORKS TO BE CHARGED WITH CONSTRUCTION AND MAINTENANCE OF ROAD; (2) LUXEMBOURG HOLDING COMPANY TO FLOAT SOFT LOANS TO CONCESSIONARY COMPANY. LOANS WILL BE GUARANTEED BY PROTOCOL SIGNATORIES.

3. PROTOCOL SIGNING ARRANGEMENTS RAN SMOOTHLY, ORCHESTRATED BY CEA CONTINGENT LED BY JACQUES GISCARD D'ESTAING, HEAD OF SIMAIR. CEA WAS ABLE TO BRING ALL ITS PARTNERS INTO LINE, EXCEPTING CONOCO WITH WHICH IT SHARES IN MOURANREN CONCESSION.

4. JAPANESE PETROLEUM TRADING COMPANY (JPTC) WAS ONLY NON-CEA PARTNER TO SIGN PROTOCOL. ON DAY OF PROTOCOL SIGNING CEREMONY, GON GRANTED JPTC THE AZELIK MINING CONCESSION WHICH HAD BEEN HELD UP FOR MORE THAN A YEAR IN MINISTRY OF MINES.

5. NONE OF THREE AMERICAN COMPANIES SIGNED OR SENT REPRESENTATIVES TO PROTOCOL SIGNING CEREMONIES. CONOCO AND PANOCAN OIL SUBMITTED SEPARATE SUGGESTIONS ON AMENDMENTS TO PROTOCOL WHICH WOULD PERMIT THEM TO SIGN. ESSO MINERALS POSITION UNCHANGED -- NO PARTICIPATION UNTIL CONVENTION SIGNED AND RESULTS OF EXPLORATION FULLY IN. OTHER COMPANIES DECLINING TO SEND REPRESENTATIVES INCLUDED BRITISH NUCLEAR FUEL, LTD. AND ATOMIC ENERGY ORGANIZATION OF IRAN (OEA).

6. GOVERNMENT-CONTROLLED MEDIA HAVE BEEN PRAISING PROTOCOL AS ACT OF INTERNATIONAL SOLIDARITY AND REALIZATION OF NORTH-SOUTH DIALOGUE OBJECTIVES. SAHEL EDITORIAL SEPTEMBER 16 HAD SOME CRITICISM FOR THOSE OUT OF TUNE WITH PROTOCOL'S SPIRIT: "OUR COUNTRY DOESN'T UNDERSTAND THE ABSENCE OF ANGLO-SAXON COMPANIES WHO SHOULD HAVE NEVERTHELESS BEEN WITH US IN THIS WAGER ON THE FUTURE AND ON COOPERATION BETWEEN PEOPLES. WE HOPE THAT IT DOESN'T INVOLVE MORE THAN A TEMPORARY HESITATION AND THAT ANGLO-SAXON COUNTRIES (SIC) WILL SOON
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JOIN IN THIS GOOD PROJECT OF MUTUAL AID." SINCE BRITISH NUCLEAR FUEL LTD. HAS NO CONCESSION AND HAS SHOWN ONLY MILD INTEREST IN MINOR AFASO-EST AREA, SAHEL EDITORIAL CLEARLY DIRECTED AGAINST U.S. COMPANIES -- CONOCO, ESSO MINERALS, AND PANOCAN OIL.

7. CEA'S FINE HAND IN THIS EXERCISE, WHICH HAS BEEN FAIRLY EVIDENT FROM BEGINNING, WAS CLEARLY REVEALED

FOLLOWING SIGNATURE OF PROTOCOL WHEN MINISTER OF MINES
WENT OUT OF HIS WAY TO THANK CERTAIN COMPANIES FOR
CONSTRUCTIVE ATTITUDE AND FOR ASSISTANCE IN PREPARING
PROJECT PAPERS, ORGANIZING MEETINGS, ETC. FRENCH
AMBASSADOR HAD MEETING WITH KOUNTCHE SEPTEMBER 16
IN WHICH PRESIDNET EXTENDED APPRECIATION FOR CEA
AND GOF ROLE. FOR MOMENT US URANIUM COMPANIES, PARTICU-
LARLY ESSO WHICH SAYS IT WILL HANG TOUGH ON REFUSAL
TO DISCUSS ROAD BEFORE IT HAS CONCESSION GRANT
SIGNED, SEEM UNCERTAIN AND SOMWHAT PESSIMISTIC ABOUT THEIR FUTURE
IN NIGER. DAVISON

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: URANIUM, CONSTRUCTION, HIGHWAYS, MINING INDUSTRY
Control Number: n/a
Copy: SINGLE
Draft Date: 21 SEP 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: BoyleJA
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976NIAMEY04226
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760356-0734
From: NIAMEY
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760937/aaaabfoz.tel
Line Count: 126
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ACDA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 76 NIAMEY 3695
Review Action: RELEASED, APPROVED
Review Authority: BoyleJA
Review Comment: n/a
Review Content Flags:
Review Date: 14 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <14 APR 2004 by greeneet>; APPROVED <03 AUG 2004 by BoyleJA>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: URANIUM ROAD PROTOCOL SIGNED
TAGS: EALR, ENRG, NG
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006